



# Oregon

Kate Brown, Governor

**Public Utility Commission**

201 High St SE Suite 100

Salem, OR 97301-3398

**Mailing Address:** PO Box 1088

Salem, OR 97308-1088

503-373-7394

January 25, 2022



BY EMAIL

Northwest Natural Gas Company

[efiling@nwnatural.com](mailto:efiling@nwnatural.com)

RE: Advice No. 21-20

At the public meeting on January 25, 2022, the Commission adopted Staff's recommendation in this matter docketed as ADV 1359. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: January 25, 2022**

REGULAR  CONSENT  EFFECTIVE DATE January 26, 2022

**DATE:** January 11, 2022

**TO:** Public Utility Commission

**FROM:** John Fox

**THROUGH:** Bryan Conway and John Crider **SIGNED**

**SUBJECT:** NORTHWEST NATURAL:  
(Docket No. ADV 1359/Advice No. 21-20)  
Schedule 196 Correction.

**STAFF RECOMMENDATION:**

Staff recommends the Public Utility Commission of Oregon (Commission) approve Northwest Natural Gas Company's (NW Natural or Company) Advice No. 21-20, correcting the ending date of the amortization period from March 31, 2023 to October 31, 2023, effective with service rendered on and after January 26, 2022.

**DISCUSSION:**

Issue

Whether the Commission should approve NW Natural's Advice No. 21-20 to make a housekeeping revision to correct the ending date of Gas Reserves excess deferred income taxes (EDIT).

Applicable Rule or Law

ORS 757.205 requires public utilities to file all rates, rules and charges with the Commission. ORS 757.210 provides that the Commission may approve tariff changes if they are fair, just, and reasonable. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes.

OAR 860-022-0025 requires that revised tariff filings include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

Staff notes that the provisions of ORS 757.259(5) and (6) are not applicable as no rate change is proposed in this filing.

### Analysis

#### *Background*

In UG 344, via Order No. 19-105, the Commission adopted a comprehensive stipulation in which the parties agreed that the Company would return Non-Plant Gas Reserves EDIT over five years through a separate tariff rider beginning on the April 1, 2019.<sup>1</sup>

In UG 388, via Order No. 20-364, the Commission adopted a comprehensive stipulation in which the parties agreed that the Company would include all historical amortization of EDIT related to gas reserves in the annual PGA filing. The amount of annual amortization was adjusted to align with the PGA year and agreed among the parties to be \$3,724,500 per year through October 2023.<sup>2</sup>

In UG 430, via Order No. 21-374, the Commission approved NW Natural's revisions to Schedule 196 rates reflecting changes in load effective for service rendered on and after November 1, 2021.<sup>3</sup>

#### *Staff's Analysis*

Staff has reviewed NW Natural's advice filing and finds it to be consistent with UG 388 - NWN/Exhibit 1010, Walker/1 underlying Order No. 20-364, which clearly shows amortization continuing until October 2023. Staff finds that this change was inadvertently not reflected in the subsequent compliance filing, and therefore warrants correction.

### Conclusion

Staff concludes that the requested tariff correction is consistent with the prior record as discussed above and should be allowed.

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<sup>1</sup> *In re NW Natural Gas Co.*, OPUC Docket No. UG 344 (Phase II), Order No. 19-105 at 4 (Mar. 25, 2019).

<sup>2</sup> *In re NW Natural Gas Co.*, OPUC Docket No. UG 388, Order No. 20-364 at 20 (Oct. 16, 2020).

<sup>3</sup> *In re NW Natural Gas Co.*, OPUC Docket No. UG 430, Order No. 21-374 (Oct. 28, 2021).

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January 11, 2022  
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**PROPOSED COMMISSION MOTION:**

Approve NW Natural's Advice No. 21-20, correcting the amortization end date in Schedule 196, effective January 26, 2022.

ADV 1359 NWN Schedule 196 Advice No. 21-20

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Second Revision of Sheet 196-1  
Cancels First Revision of Sheet 196-1

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## SCHEDULE 196 ADJUSTMENT FOR CERTAIN EXCESS DEFERRED INCOME TAXES RELATED TO THE 2017 FEDERAL TAX CUTS AND JOBS ACT

### PURPOSE:

To amortize deferred amounts to Customers on the Rate Schedules listed below pursuant to the Third Stipulation adopted by Commission Order No. 19-105 in docket UG 344 entered on March 25, 2019, and Order No. 20-364 in docket UG 388 entered on October 16, 2020.

### DESCRIPTION:

The rate adjustments reflected in this Schedule will amortize deferred amounts to Customers reflecting the net benefit of the excess deferred income taxes (EDIT) associated with: 1) Non-Plant Gas Reserves; and 2) Plant, that result from the 2017 federal Tax Cuts and Jobs Act (TCJA).

#### 1) Non-Plant Gas Reserves

The adjustment to Customer rates for the amortization of the portion of EDIT associated with Non-Plant Gas Reserves will occur over three years. The total amount to be amortized is a credit of \$7.92 million, or \$2.6 million per year, prior to full revenue gross up.

This rate adjustment shall be effective for a 3-year period commencing November 1, 2020, with the last adjustments to become effective November 1, 2022 ending October 31, 2023, or such other date the Commission may approve. (T)

#### Applicable:

To all Customers taking service under the following Rate Schedules of this Tariff of which this Schedule 196 is a part:

Rate Schedule 2	Rate Schedule 31
Rate Schedule 3	Rate Schedule 32
Rate Schedule 27	Rate Schedule 33

#### 2) Plant

The adjustment to Customer rates for the amortization of the portion of EDIT associated with Plant will occur until such time as the balance is fully amortized or the amortization schedule is otherwise changed in the Company's next general rate case with Commission approval. The total amount to be amortized is a credit of \$125.1 million, which will be amortized at \$3.0 million per year, prior to full revenue gross up.

This rate adjustment shall be effective commencing November 1, 2020.

#### Applicable:

To all Customers taking service under the following Rate Schedules of this Tariff of which this Schedule 196 is a part:

Rate Schedule 2	Rate Schedule 31
Rate Schedule 3	Rate Schedule 32
Rate Schedule 27	Rate Schedule 33

(continue to Sheet 196-2)

Issued December 13, 2021  
NWN OPUC Advice No. 21-20

Received  
Filing Center  
DEC 13 2021

Effective with service on  
and after January 26, 2022